

Ham and Eggs in the 21st Century?

California's Lessons for the Retirement of the Baby Boom



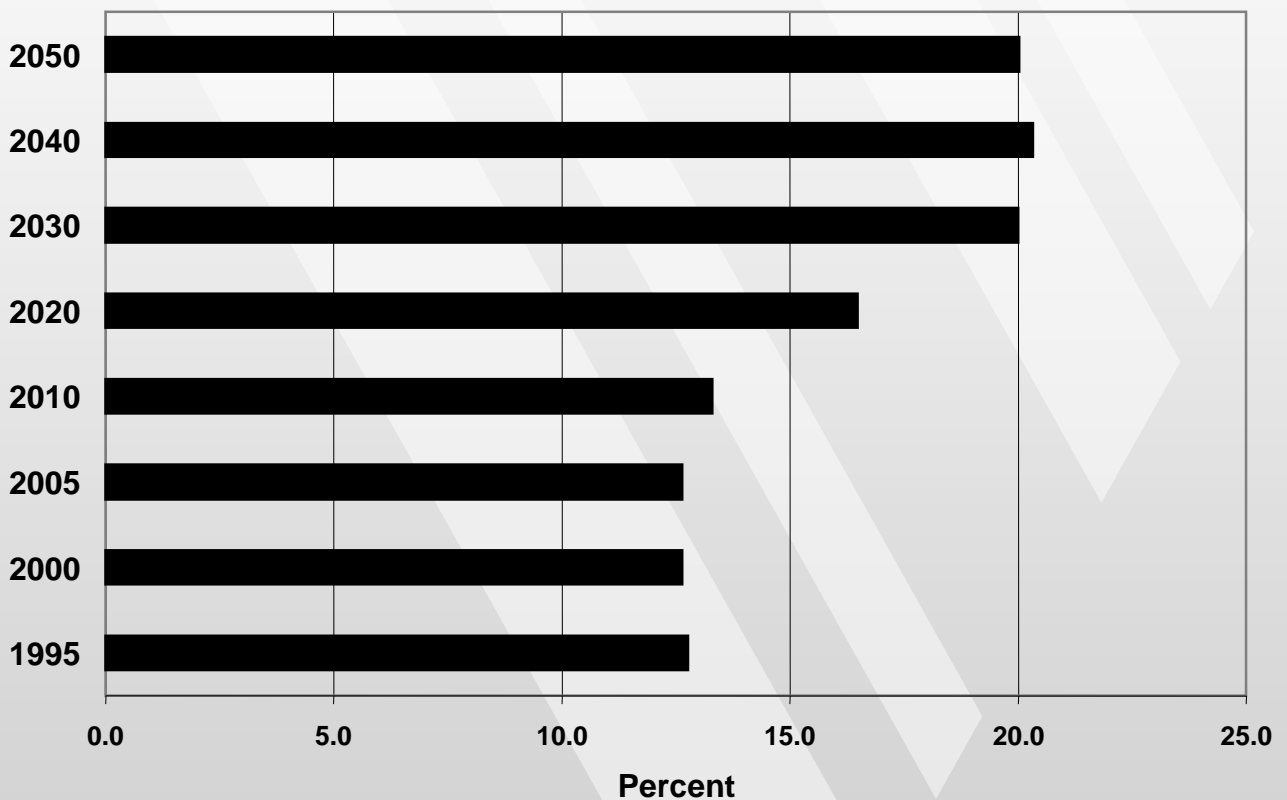
Daniel J.B. Mitchell
Ho-su Wu Professor

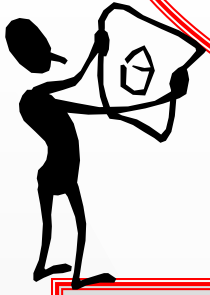


The boomers are coming!

The boomers are coming!

Percent of U.S. Population 65 and Over: Middle Projection





“A nation of Floridas”

Peter G. Peterson

“People are not going to be able to think the way their grandparents did, which was that retirement is a right and somebody will pay them to retire.”

Dallas L. Salisbury

Employee Benefits Institute

Aug. 14, 1935.

President Franklin D. Roosevelt signs Social Security into law.



Franklin Roosevelt signs law.



In January 1940, Ida May Fuller became the first recipient of a monthly benefit check.

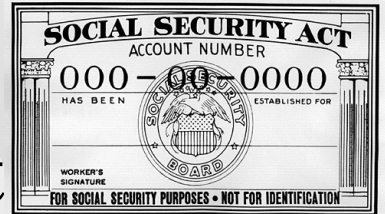
Interesting Questions for the 21st Century

- What can the nation “afford” for the baby boomers?
- How should we think about Social Security?
 - Is it like a private pension?
 - Is it a tax/spend (transfer) program?
- What changes should be made in Social Security and Medicare?
- What policy changes might be made regarding private pensions and health care?



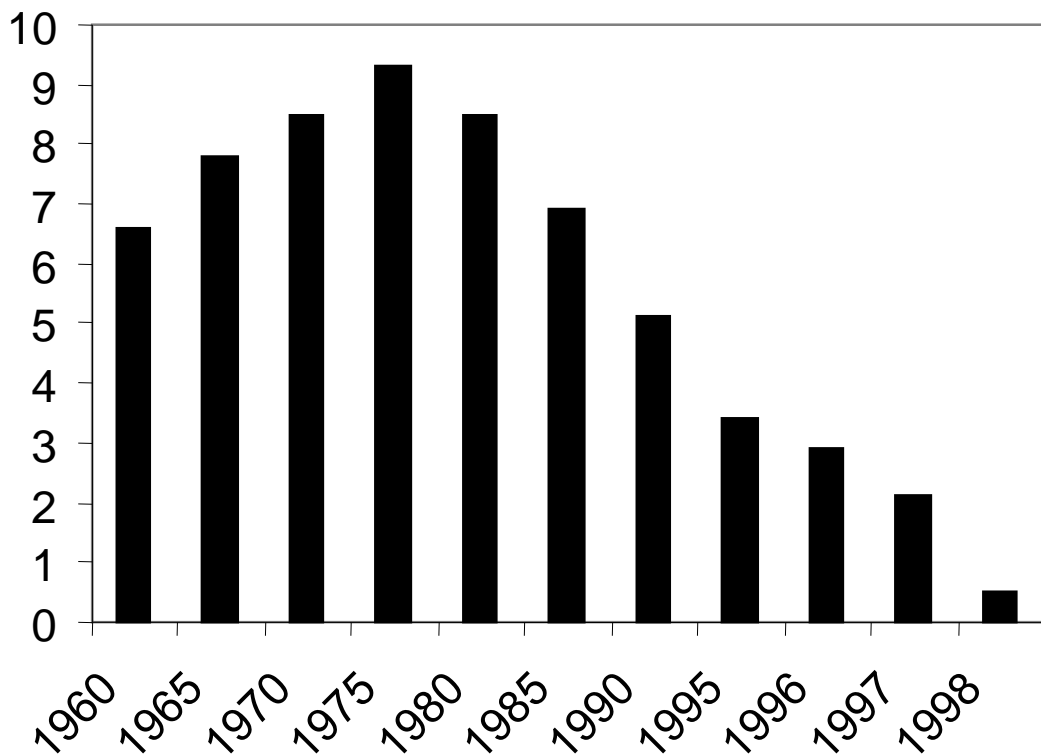
Observations

- There is no evidence the boomers are now engaged in a wave of saving
- Well-intentioned (or other) Social Security/Medicare reforms may be seen differently when their impact is felt
- Demography is destiny
- The more things change, the more they might perhaps remain the same (maybe/somewhat)



Saving: Where is it?

Personal Saving as Percent of Disposable Personal Income



The **BIG** Question:

*What happens
when you have lots
of elderly people
who aren't getting
what they hoped to
get?*

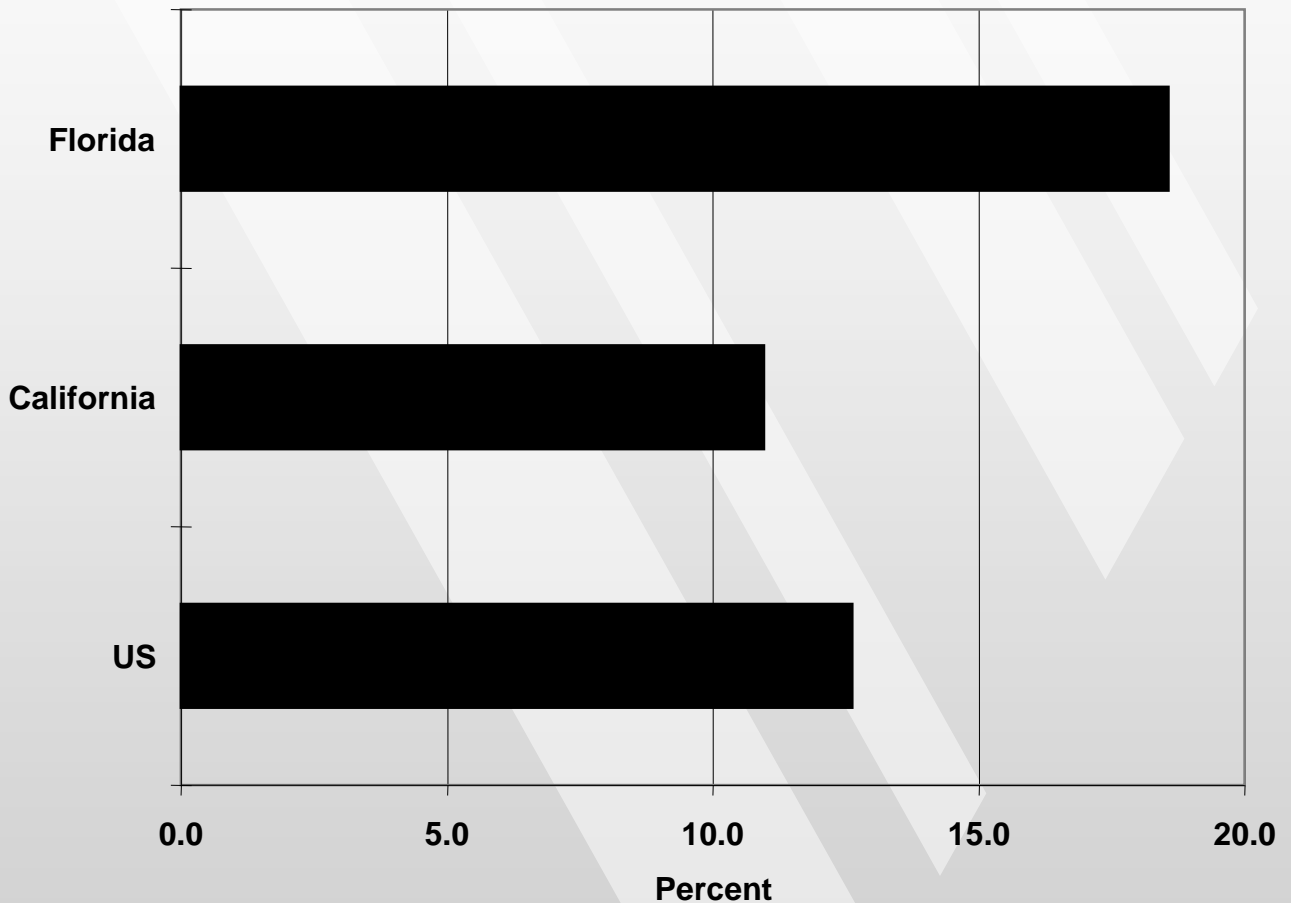


*Why
Look
at
California, the
youth state?*



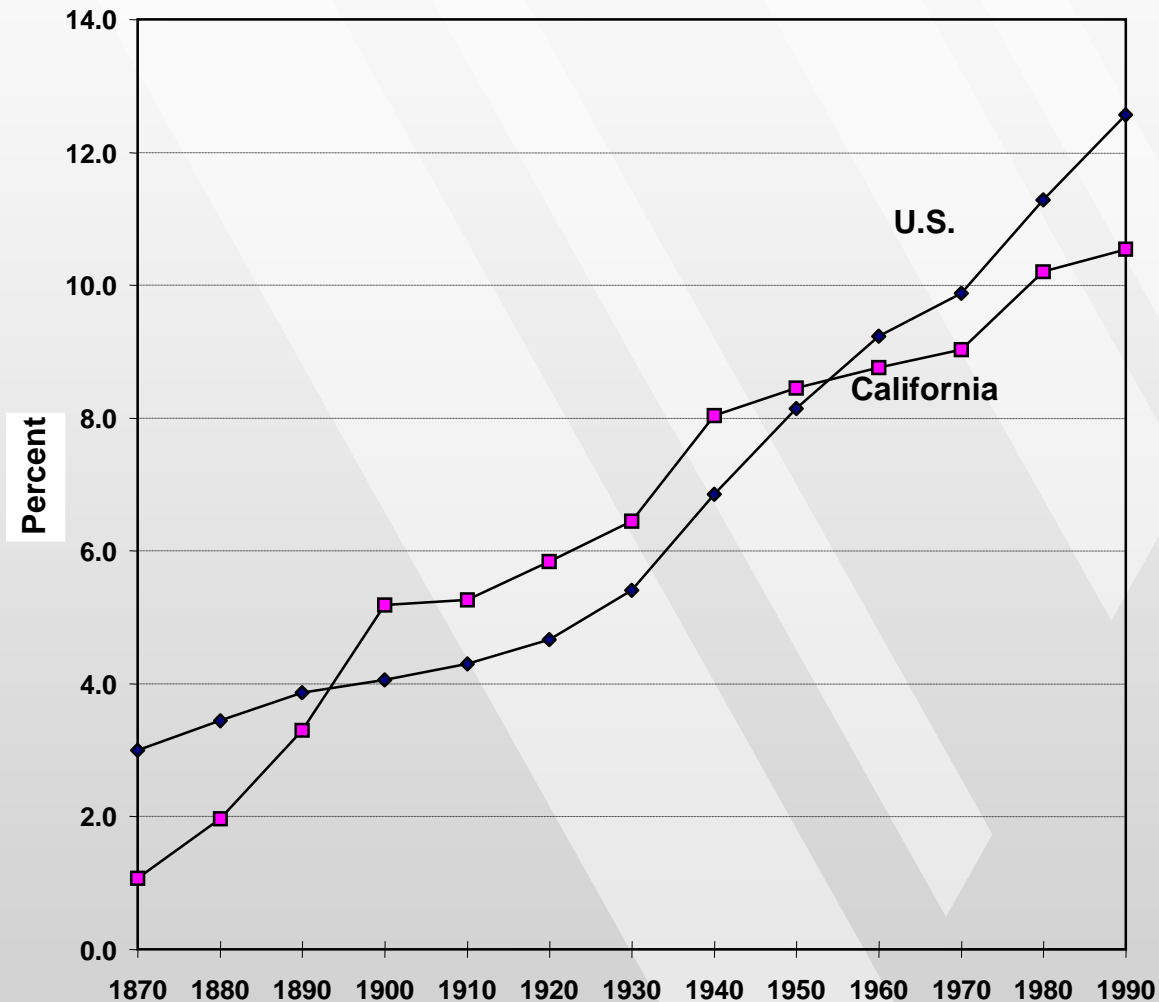
California's Demographic Present

Percent of Elderly in Total Population: 1995

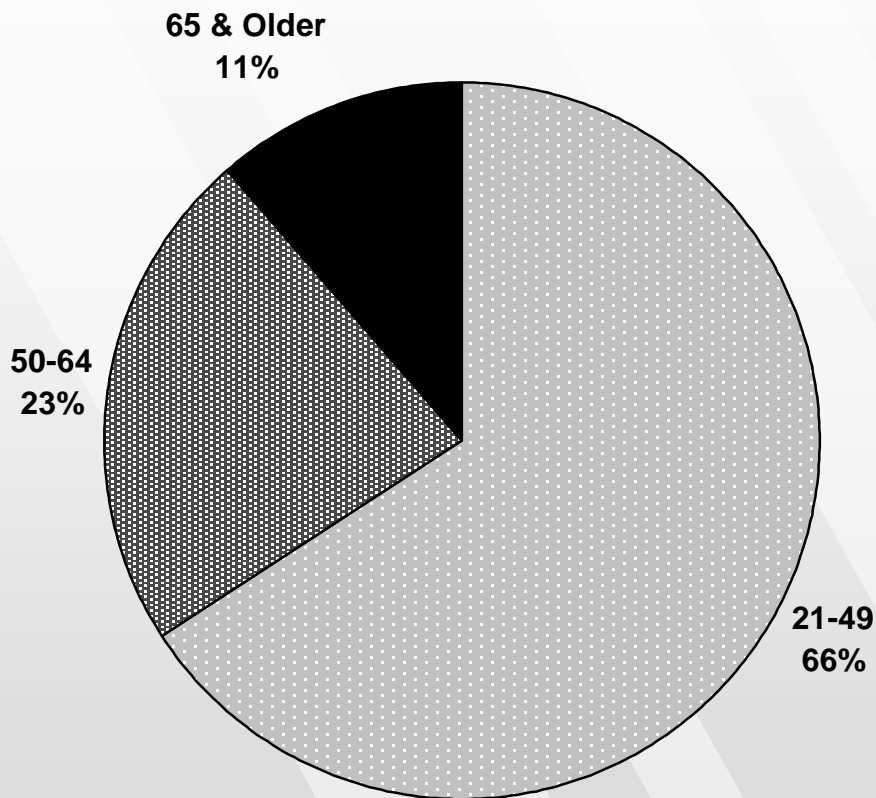


California's Demographic Past

Percent Aged 65 and Over: U.S. vs. California



Age Distribution of the California Population Aged 21 and Over: 1940



California: 1920s Characteristics

- A demographic Florida
- Concentrated population
- Direct democracy
- Limited old age support



Wilshire's I-ON-A-CO



GAYLORD WILSHIRE
Inventor of the I-ON-A-CO



**Magnetic Invention Opens
Short Cut to Health**

Come in and take a
delightful 10-minute
FREE TREATMENT

The I-ON-A Company

Sales and Demonstration Room
617 So. Hill St., Los Angeles
Phone: TRinity 3101

Advertisement in *Saturday Night*, January 15, 1927.

FOE as Friend

**Of the California elderly
population 70+ years**



**The (Assemblyman William)
Hornblower Act of 1929
mandates “outdoor relief” with
state subsidy to the counties.**



13. California Assemblyman William B.
Hornblower

The Rise, Inquisition, and Eclipse of Dr. Francis Townsend

- ☐ **Who was he?**
- ☐ **Development of the Townsend Plan**
- ☐ **Promotion of the Townsend Plan**
- ☐ **Townsend in 1934 and EPIC**
- ☐ **Townsend in 1935 and enactment of Social Security**
- ☐ **Congressional hearings**
- ☐ **The 1936 presidential election**
- ☐ **The pardon**
- ☐ **Townsendist movements in the states**





Dr. Francis E. Townsend, the Rev. Gerald L. K. Smith, and the Rev. Charles E. Coughlin after speaking at the convention of Townsend followers in Cleveland, Ohio, August, 1936. *United Press International*

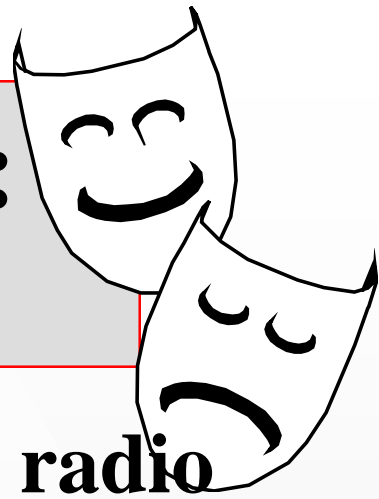


William Lemke with his family in 1936. *Wide World*



8. Gov. Frank E. Merriam (right) joining Townsend to help open the Townsend Plan's third annual convention. Held in the Los Angeles Coliseum June 20-23, 1938, the convention was attended by some 20,000 persons from all over the country.

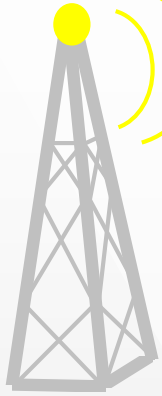
Ham and Eggs: *The Cast*



- **Robert Noble**: Creator, radio broadcaster, follower of Huey Long, critic of mayor, later seditionist



- **Willis and Lawrence Allen**: Con-men *extraordinaires*, hair tonic promoters, would-be Mexican radio station owners, forgers, owners of Cinema Advertising Agency



Radio!



THE FRANKLIN D. ROOSEVELT
LIBRARY
Hyde Park, N. Y.

NATIONAL

Ham and Eggs

5c



Life Begins
AT 50

LIFE PAYMENTS

RETIREMENT **\$30. A WEEK** ASSOCIATION

for life

★ ★

National Campaign Committee

4738 N. HIGHLAND AVE. • HOLLYWOOD, CAL.



5c

30 EVERY
Thursday

VOLUME 1



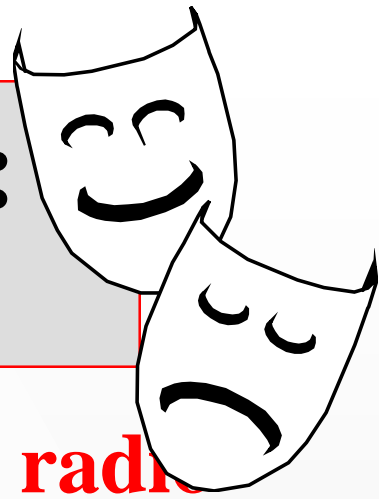
LOS ANGELES

SATURDAY, OCTOBER 21, 1939

SAN FRANCISCO

NUMBER 47

Ham and Eggs: *The Cast*



- **Robert Noble: Creator, radio broadcaster, follower of Huey Long, critic of mayor, later secessionist**
- **Willis and Lawrence Allen: Con-men *extraordinaire*, hair tonic promoters, would-be Mexican radio station owners, forgers, owners of Cinema Advertising Agency**
- **Capt. Earle Kynette of the LAPD: Maker of offers that couldn't be refused, head of the Red Squad, car bomber**



14. Led by Robert Noble, picketers descend on State Capitol in Sacramento to threaten Governor Olson with a recall movement if he does not have pension laws enacted. Olson was making his inaugural address at the time.

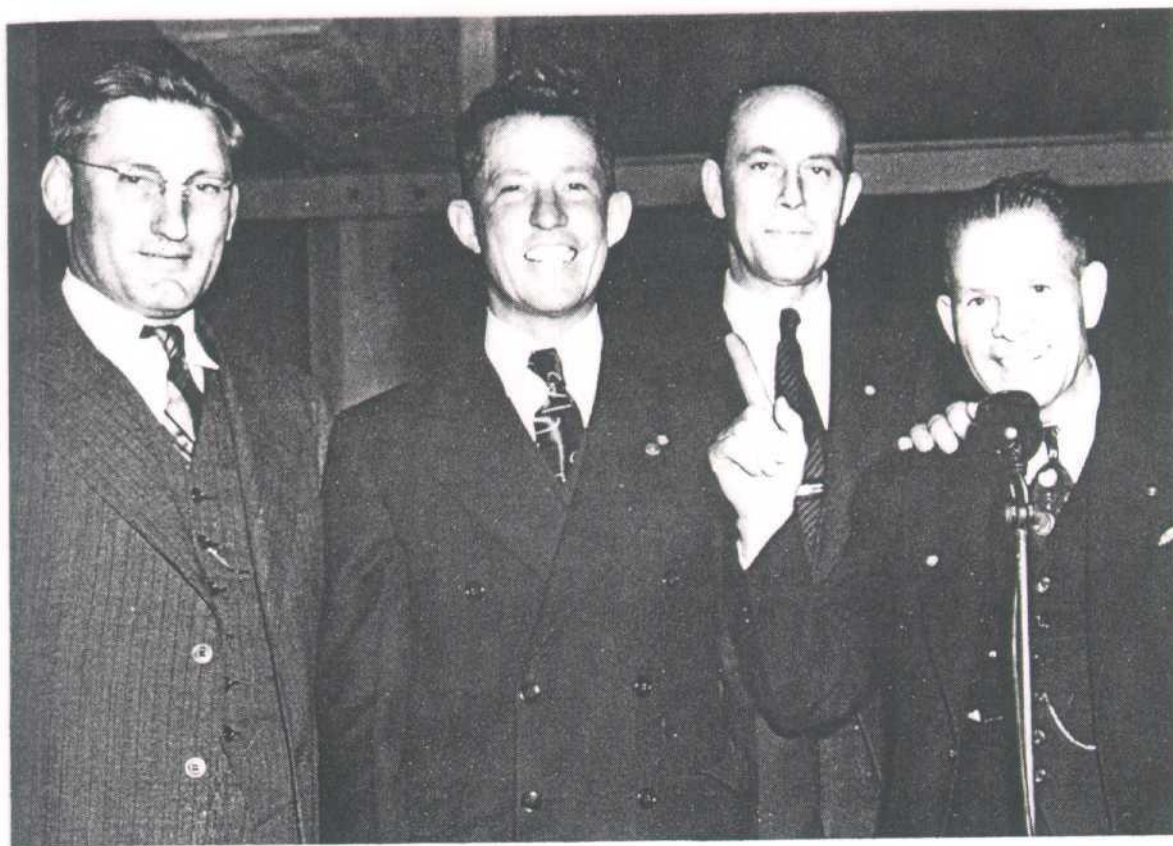
552

GRAND JUI
Entrance





16. (Left to right) Roy G. Owens, Willis Allen, and Will H. Kindig in their main Los Angeles campaign headquarters on the night of November 6, 1939, the eve of the election in which their "\$30-Every-Thursday" plan was rejected by California voters



15. At Los Angeles Shrine Auditorium, November 5, 1939: (left to right) Lt. Gov. Ellis Patterson, with Lawrence W. Allen, Roy G. Owens, and William R. Peeler of the Ham and Eggs movement



- **Sherman Bainbridge: Radio voice of Ham and Eggs, one time promoter of “Plenocracy”**
- **Roy Owens: “Engineer-economist” of Ham and Eggs, past legislation drafter for Father Divine**
- **Gertrude Coogan: Monetary conspiracy theorist and spokesperson for Ham and Eggs, prior economic advisor to radio priest Father Charles Coughlin**
- **George McLain: LA campaign manager for Ham and Eggs, later head of his own movement**

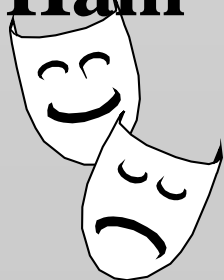




George McLain, Chairman, Board of Directors, California Institute of Social Welfare.

Political Figures

- ❑ **Sheridan Downey**: Running mate with Upton Sinclair in EPIC campaign, endorser of Townsend Plan and Ham and Eggs, elected Democratic U.S. Senator (1938)
- ❑ **Frank Merriam**: Incumbent Republican governor who defeated the EPIC campaign (1934), endorser of Townsend Plan, lost to Culbert Olson (1938)
- ❑ **Culbert Olson**: former free silver advocate, defeated Merriam for Governor (1938), waffled on Ham and Eggs





1. Upton Sinclair at work on copy for *EPIC News*, September 1934

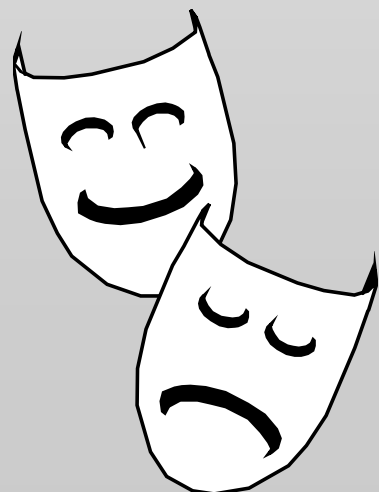


2. Sheridan Downey, Sinclair's running mate



12. Culbert L. Olson being sworn in as Governor, January 2, 1939

- **Earl Warren: Ambitious Republican, drew public support for locking up the California Japanese community, cut deal with Ham and Eggs, defeated Olson for governor (1942), later VP candidate with Thomas Dewey (1948), Supreme Court chief justice, chaired Warren Commission on JFK assassination**





15. As governor of California, Warren liked to present his views directly to the people by means of regularly scheduled radio programs. (Courtesy Bancroft Library)



The Warren family in a 1948 campaign photograph.
From left: Robert, Dorothy, Nina, Jr. ("Honey Bear"), Earl, Jr.,
Virginia, James, Nina, and Warren.

(Courtesy of Betty Henderson and the Governor's Mansion, California State Parks)

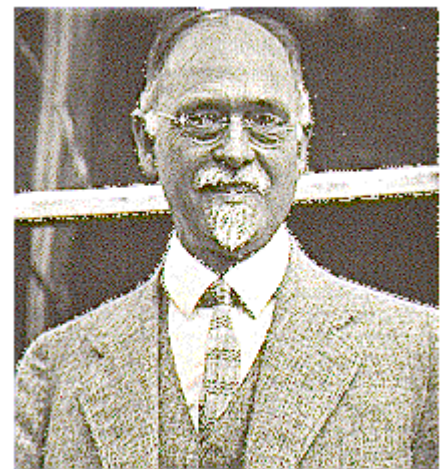


The Warrens scan early election returns at AP's San Francisco bureau on election night, June 8, 1950. From left: Virginia; the governor, elected to a third term that night; Nina; Bobby; and the news service's Sacramento reporter, Morrie Landsberg.

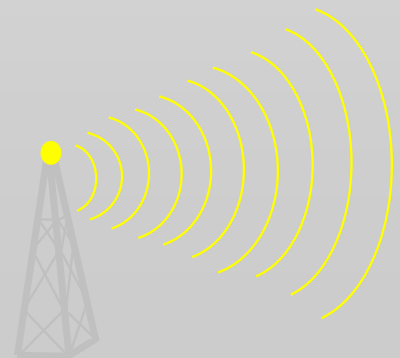
(Courtesy of Morrie Landsberg)

The Noble Vision

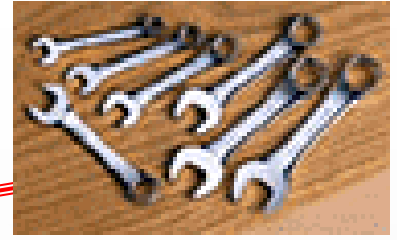
- ✓ **Every California citizen over 50 who did not work would get “\$25 Every Monday” (later “\$30 Every Thursday”)**
- ✓ **Primary source of finance: Fisherian stamp money (“warrants”) to be issued by the state. Each dollar of warrants would require a weekly 2 cent stamp**
- ✓ **Roy Owens to be in charge**
- ✓ **On the state ballot in 1938 and 1939**



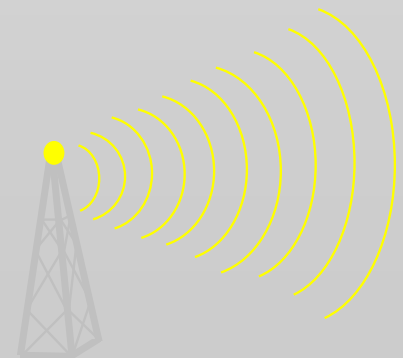
**Irving
Fisher**

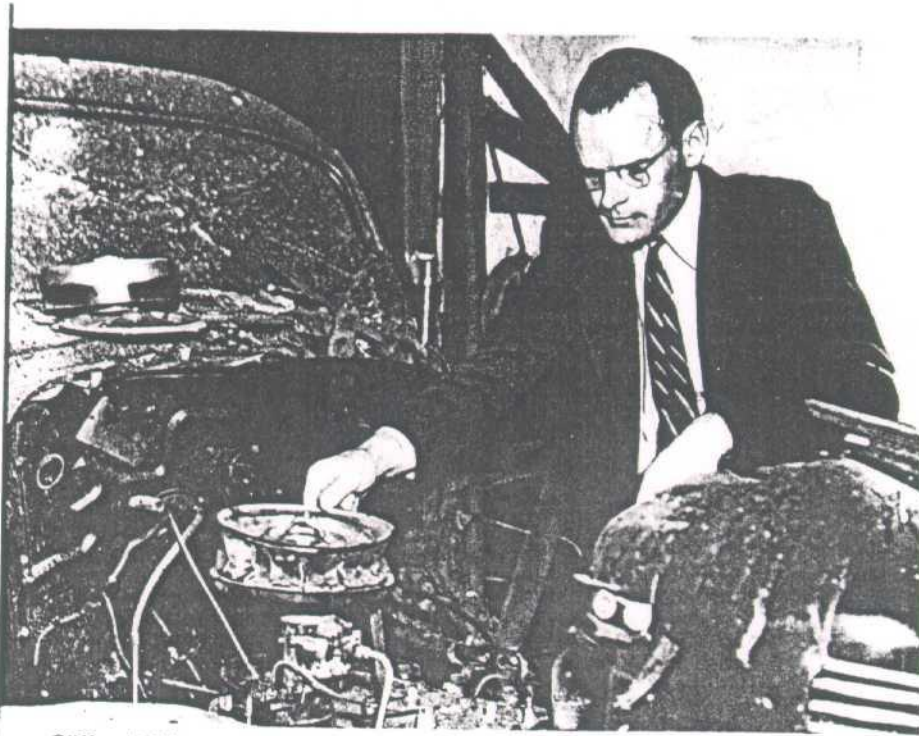


The Allen Wrench



- ◆ **The Allens join with Noble**
- ◆ **The Mexican radio station
(Foghorn Murphy affair)**
- ◆ **The forged letter**
- ◆ **Enter Capt. Kynette**
- ◆ **The coup**
- ◆ **The new voice of Bainbridge**
- ◆ **The martyr**
- ◆ **Coogan and others arrive**
- ◆ **The labor alliance**
- ◆ **The big bang**





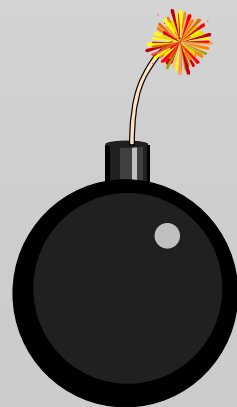
Clifford Clifton examines Harry Raymond's bombed-out car in 1938. (Hearst Collection, USC Library)

“Who did it, Harry?”

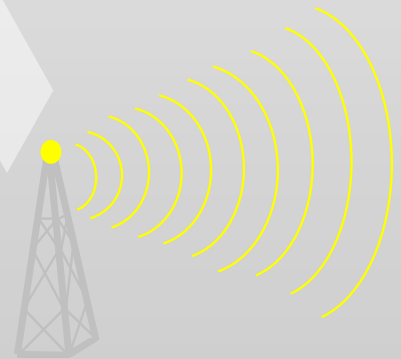
“That son of a bitch Earle Kynette... I want you to promise you’ll get him for me.”

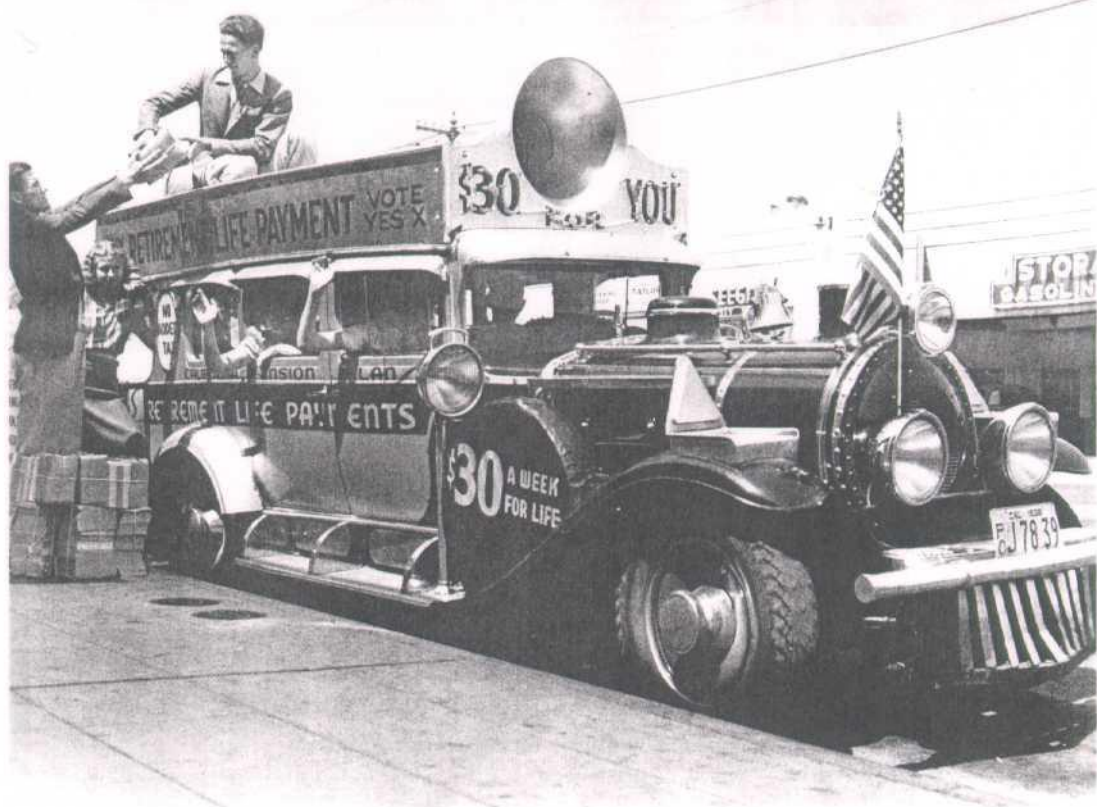
“I’ll get him for you, Harry.”

“They told me they would get me. They put Kynette on me. ...Kynette takes his orders from City Hall and they wanted me out of the way. He’s the one who rigged the bomb.”



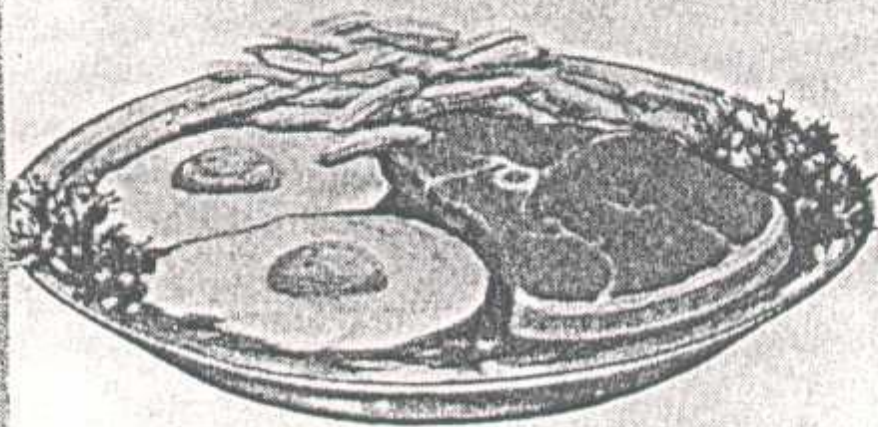
- **The cheated partner**
- **The failed coup**
- **The 1938 election**
- **Round 2**
- **Owen's bank means Coogan walks**
- **Olson waffles**
- **Olson's betrayal**
- **The 1939 election**
- **The failed recall**
- **OAA in California**
- **Olson endorses 60-60**
- **The Warren alliance**
- **Anointing George McLain**





Ham and Eggs sound truck, July, 1938. Courtesy, UPI/Corbis-Bettman.

Ham and Eggs

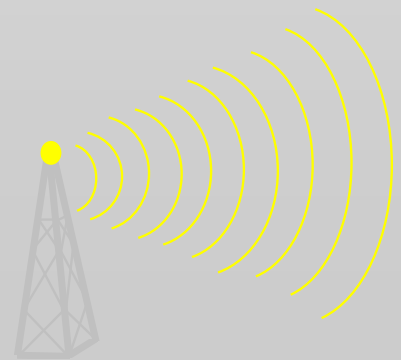


FOR CALIFORNIANS



“Uncle George” Takes Over

- ❁ **California Institute for Social Welfare**
- ❁ **1948: Myrtle Williams, state welfare czar**
- ❁ **Legislative investigation**
- ❁ **1949: The empire strikes back**
- ❁ **California finally consumes its Ham and Eggs**

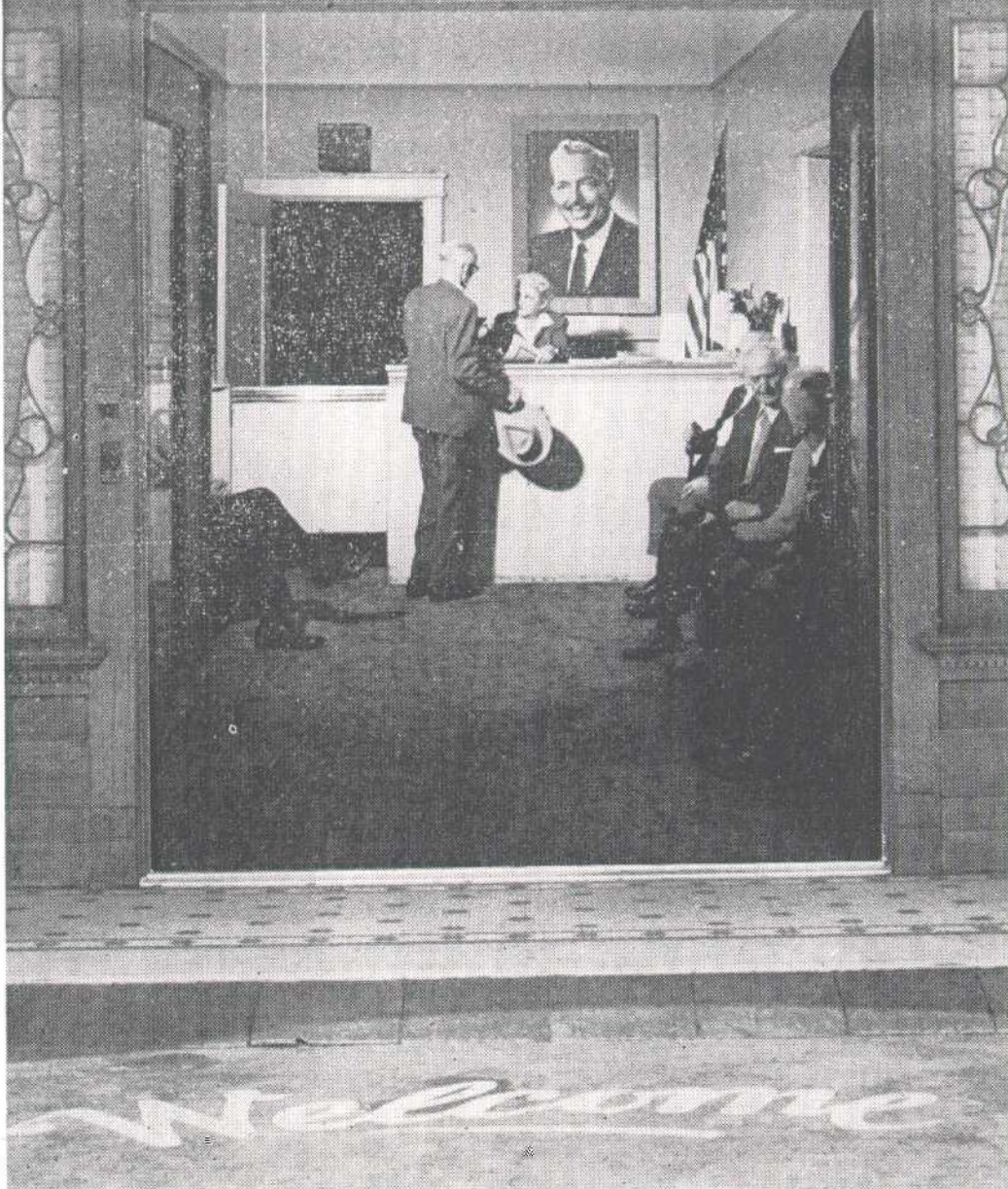




18. George McLain, founder of the California League of Senior Citizens

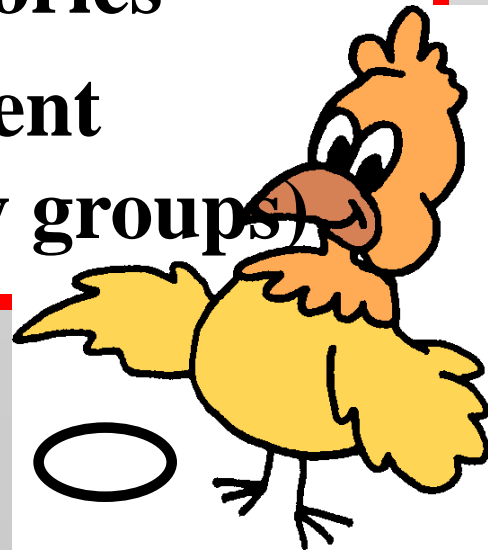
"THRU THESE PORTALS PASS THE
BUILDERS OF A NATION... THEY
SHALL NOT BE FORGOTTEN"....

1031



What Came First?

- ♦ **Prior pension schemes**
- ♦ **Monetary, currency, and banking theories and conspiracies**
- ♦ **Underconsumption, income distribution, and planning theories**
- ♦ **Work-spreading theories**
- ♦ **Promoting government payments (to worthy groups)**



Monetarism



\$ Debtors vs. creditors (banks)

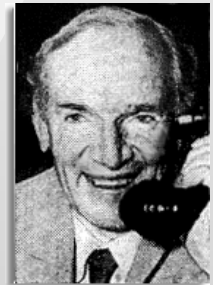
\$ Andrew Jackson vs.
Bank of the U.S.

\$ Greenback movement

\$ Free-silver populism

\$ Father Charles Coughlin

\$ Sinclair's EPIC campaign
merges monetarism with
Technocracy



ACME
Upton Sinclair

\$ Scrip schemes such as Tradex
and stamp money

\$ Utopian Society

\$ Social Credit/Alberta

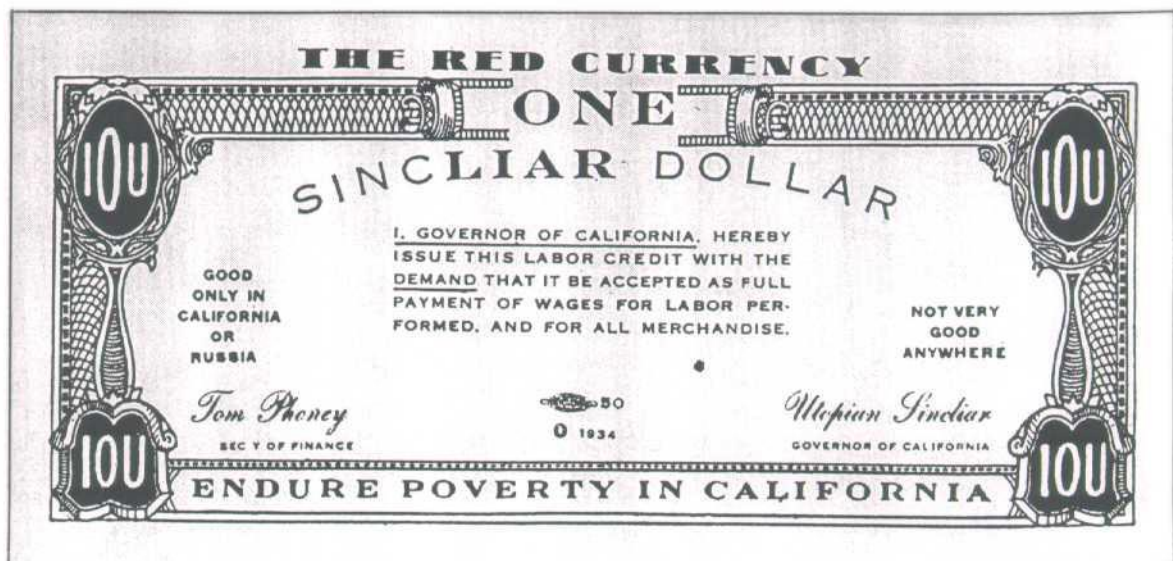




In 1934, Father Coughlin was still supporting Roosevelt and "Christian capitalism." *Wide World*

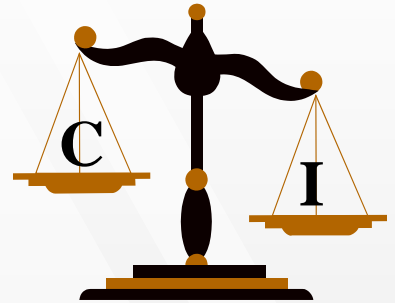


3. This cartoon, which appeared in the *San Francisco Examiner* October 24, 1934, was one of a series that began in the newspaper on October 23 and continued daily through the eve of the election, November 4.



Hundreds of thousands of "SincLiar" dollars, printed in red ink, circulated throughout California.

Underconsumptionism



Long

✘ **Marxism**

✘ **Herbert Hoover**

✘ **Huey Long &
Gerald L.K. Smith:
Share our Wealth**

✘ **Townsend Plan**

✘ **Social Credit**

✘ **Planning: Technocracy,
Utopian Society, EPIC**

E·P·I·C



I PRODUCE · I DEFEND

15 CENTS

The Technocrats' Magazine

THIRTY MILLION
OUT OF WORK
IN 1933—

OR

\$20,000 A YEAR
INCOME FOR
EVERY
FAMILY—

WHICH?

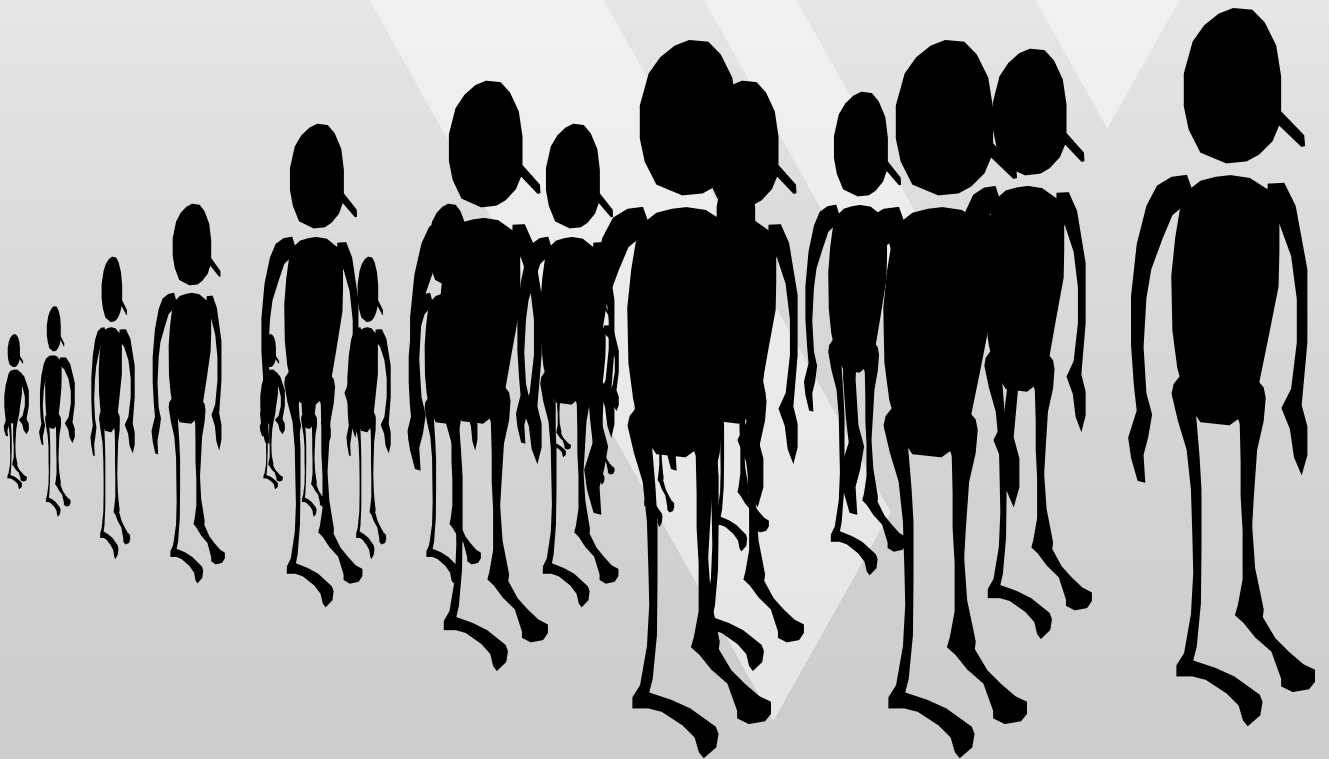


EXPLAINING TECHNOCRACY
A REVOLUTION WITHOUT BLOODSHED

Work Spreading

❌ **Jobs to be reserved for adult breadwinners**

❌ **L.A.'s “bum blockade”**



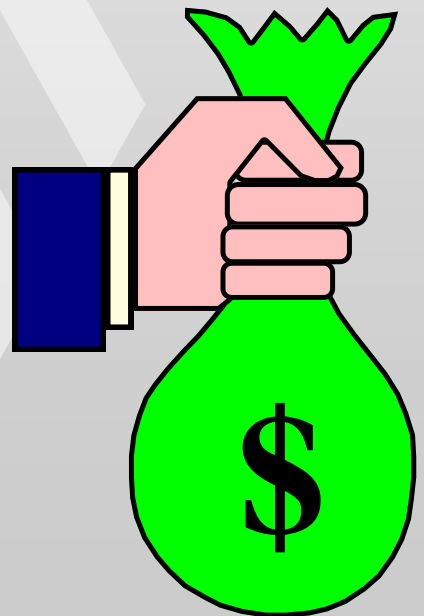
Government Payments

☒ **Veterans:
Bonus March**



☒ **Elderly:
Townsend Plan, EPIC**

☒ **Everyone:
Social Credit**



The New Deal

■ Monetarism

- Change in gold price
- Fiddling with silver
- Bank regulation

■ Underconsumptionism

- N.I.R.A.
- Minimum wage
- Wagner Act

■ Work spreading

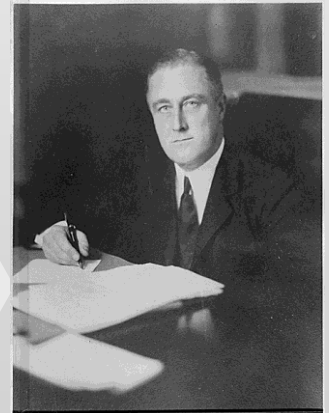
- Overtime
- Anti child labor

■ Government payments

- Welfare
- Unemployment compensation

■ Pensions

- Social Security
- Old Age Assistance



Lessons for Future

Ham & Eggs Era

- **Demography shifts toward elderly**
- **Elderly frustrations over failure of society to provide adequate support**
- **Presence of political entrepreneurs**

21st Century

- **Demography shifts toward elderly**
- **Probably, but will depend on economic circumstances and wisdom of reforms adopted**
- **Count on it**





Mitchell's Remaining Tasks

📖 **Write the final chapter**

📖 **The current Social Security and Medicare debate**

📖 **Prior reforms in the 1980s**

📖 **Notch babies**

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